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June 9, 1978

TO: CITY COUNCIL
FROM: NORMAN R. KING, CITY MANAGER
SUBJECT: PROPOSITION 13 BUDGET REDUCTIONS

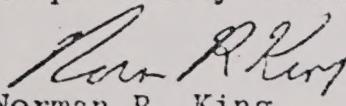
As the city council is well aware, there are a great many decisions and actions which must be taken in regard to the implementation of proposition 13 over the next few weeks. Fortunately, the council has already devoted a considerable amount of time toward the development of a contingency budget, and already a basic policy direction has been provided.

The following decisions and actions are among those that must be taken. In the next few weeks there will be many more.

1. I have prepared a statement to city employees which describes in general the impact of proposition 13 on city personnel. No notice of terminations will be sent until the city council tentatively adopts the revised budget for 1978-79. This council action is scheduled for June 27. We are presently discussing the probability of having to terminate 30 to 35 positions with about 20 of these positions presently occupied. I am recommending that the council provide the terminated employees with a three-month termination notice. I believe that this policy is humane to the employees involved, and by providing more time before the layoffs take effect there is a strong possibility of additional vacancies which will decrease the number of employees who must be laid off.
2. By June 27 the council should tentatively adopt the 1978-79 budget as revised. It will be impossible, of course, to reproduce a new document by that time. However, by that date we will provide a revised summary of the proposition 13 reductions which if adopted by the council will furnish the staff the necessary direction to finalize the tentative budget. Then in July and August the council can thoroughly review the detailed budget in order to adopt the final budget in late August.

Recommendation: That the city council authorize the city manager to inform all employees who will be given layoff notices that such employees shall be given three months notice from July 1, 1978 dependent upon continuing satisfactory performance by the individual employee.

Respectfully submitted,


Norman R. King
City Manager

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